UNITED NATIONS

E

Economic and Social Council

PROVISIONAL

For participants only

E/1992/SR.14
10 July 1992

ORIGINAL: ENGLISH

Substantive session of 1992

High-level segment

PROVISIONAL SUMMARY RECORD OF THE 14th MEETING

Held at Headquarters, New York,
on Monday, 6 July 1992, at 3 p.m.

President: Mr. MROZIEWICZ (Poland)

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Enhancing international cooperation for development: the role of the United Nations system

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The meeting was called to order at 3.20 p.m.

ENHANCING INTERNATIONAL COOPERATION FOR DEVELOPMENT: THE ROLE OF THE UNITED NATIONS SYSTEM

Mr. GRANIĆ (Observer for Croatia) said that when it came to development, his Government could not ignore the suffering caused by the armed aggression by Serbia, Montenegro and the so-called Yugoslav People's Army against the Republic of Croatia and then Bosnia and Herzegovina, which had resulted in massive bloodshed, the biggest exodus of population since the Second World War and enormous material destruction. The toll of injured and dead stood at more than 25,000, while such towns as Vukovar, Dubrovnik, Osijek and many others had been devastated. Hospitals, churches, cultural treasures, schools and kindergartens had been devastated; in all, 40 per cent of the nation's economic potential had been either heavily damaged or destroyed. The total direct war damage inflicted on Croatia was estimated at up to $21 billion.

As a result of the Serbian and Montenegrin aggression against Croatia, some 260,000 persons had been displaced within Croatia itself, while another 120,000 to 170,000 Croatian refugees had found shelter in neighbouring countries.

Croatia was also suffering the impact of the escalating Serbian aggression against Bosnia and Herzegovina and was sheltering more than 290,000 Bosnian refugees, mainly Muslims and Croats, 70 per cent of them women and children. For the care of displaced persons and refugees, in June 1992 alone, the Croatian Government had directly paid $93 million, exclusive of food and other relief supplies.

At the latest session of the Croatian parliament, the Government had proposed its programme of economic policies for the second half of 1992 hoping to avert galloping inflation and speed up social transformation. The biggest drain on the budget was the cost of war and of caring for displaced persons

(Mr. Granić, Observer, Croatia)

and refugees. The rebuilding of war-stricken areas and the return of displaced persons was the foremost task and would require an estimated $6.5 billion. His Government had called for an international conference on the reconstruction of Croatia to be organized by the United Nations and the European Community, with the ultimate objective of integrating the internationally recognized Croatia, a United Nations Member State, into the European and world systems.

He recalled the statement made some days before by the Permanent Representative of Croatia on the status within the United Nations of the recently proclaimed Federal Republic of Yugoslavia (Serbia and Montenegro) and reiterated that it could not claim membership either in the Organization as a whole or in the Economic and Social Council in particular.

Mr. GANEV (Bulgaria) said that at that most important juncture in world development, mankind had an unprecedented opportunity to build a new world order based on democracy, the rule of law, respect for human rights and fundamental freedoms, economic openness, social justice and equal security for all countries. The end of the world's ideological division created new opportunities for the international community, which must act quickly to take advantage of the opportunities which were emerging.

To prevent a new confrontation based on the widening gap in social and economic development between countries and regions, the mobilization of national efforts and the strengthening of multilateral economic cooperation were urgently needed, building on the Declaration on International Economic Cooperation, the International Development Strategy for the 1990s and the Programme of Action for the Least Developed Countries. Trends in world development indicated that national action alone was not enough to solve global issues.

The past decade had left unsolved problems of underdevelopment, poverty, famine, environmental degradation, drug addiction, overpopulation and accelerated migration. The time had come to seek lasting solutions to those problems through enhanced international cooperation; through joint efforts the world community would find the right decisions.

Eastern Europe's transition to a market economy was one of the greatest challenges of the 1990s and would influence not only the economic but also the

(Mr. Ganev, Bulgaria)

political climate in the world. The United Nations should play a more active role in supporting that transition and in promoting cooperation with Eastern Europe. Bulgaria attached particular importance to participation in multilateral economic cooperation, which was an important factor in completing the country's radical economic reform and transition to a market economy. The reform had turned out to be much more difficult than previously expected and had been complicated by external conditions, such as the Persian Gulf crisis and United Nations sanctions against Yugoslavia (Serbia and Montenegro). As one of the most affected Member States, Bulgaria expected the Organization's support in solving those problems.

As a European country, Bulgaria gave priority to participation in European economic cooperation, and particularly to its accession to the Council of Europe, the ongoing negotiations for association with the European Community, and its cooperation with the European Free Trade Association.

Bulgaria highly appreciated the activities of the Economic Commission for Europe and its potential for supporting countries in transition. By maintaining political, social and ethnic stability, Bulgaria was trying to contribute to enhanced security and stability in the Balkans. That was the basis of its initiative to convene, after the settlement of the Yugoslav crisis, a forum of all States involved, which would firmly renounce any territorial claims and ambitions.

Bulgaria was interested in developing active economic cooperation on a bilateral and multilateral basis with all its neighbours. Subregional cooperation in the Black Sea area could contribute to building up a new Europe and a pan-European economic area and to strengthening security and confidence in the region.

Mr. PRONK (Observer for the Netherlands) said that the changes in the world's political situation permitted a return to the Charter's holistic approach to United Nations objectives. There could be no lasting peace without social stability and sound economic conditions. Conversely, political stability and security were often preconditions of development. There was a need for a balance between social and economic objectives, on the one hand,

(Mr. Pronk, Observer, Netherlands)

and political and security objectives, on the other. It was time to give new emphasis to the mandate of the United Nations in social and economic development.

The reinforcement of democratic instititutions in support of human rights and the protection of minorities was an essential component of the United Nations contribution to both peace and economic and social progress. What was needed was a more unified, higher level and more efficient approach to the reform of the economic and social sectors of the United Nations. There was a widespread willingness throughout the system to implement reform, and the credibility of the United Nations had increased throughout the world; the Organization should seize the opportunity.

At the intergovernmental level, there was an urgent need for more efficient and powerful integovernmental structures, less overlap and more relevant agendas. There was a consensus that the Economic and Social Council should be revitalized as the coordinating body of the United Nations in the economic and social field, and recent decisions, in particular the establishment of the Commission on Sustainable Development, and proposals, such as that for the International Development Council, could help to accomplish that revitalization.

The necessary political impetus might be given to the economic and social discussions within the United Nations by having the annual meeting of the Council preceded by a two-day ministerial meeting of the Commission on Sustainable Development to review and monitor international policies in that area, and followed by a two-day ministerial meeting to give the necessary overall political guidance to operational activities (the latter meeting would consititute the International Development Council proposed by the Nordic countries). The ministerial meetings should be of limited size and should have decision-making powers.

The Economic and Social Council itself should preferably become universal and economic issues discussed in the Council should not be taken up again by the Second Committee of the General Assembly.

(Mr. Pronk, Observer, Netherlands)

The governance of individual programmes and funds would be improved through the establishment of smaller governing bodies that would meet more frequently, thus increasing their capacity to react to changing circumstances and requirements.

Once the Member States had agreed on setting up new intergovernmental structures, the tasks and responsibilities of the secretariats of the United Nations system could be realigned in such a way as to avoid any duplication and overlap. The Administrative Committee on Coordination (ACC) had a central role to play in ensuring system-wide complementarity and coherence in the work of the agencies. Adequate analytical capacity should be retained in the Department for Economic and Social Development and in the UNCTAD secretariat. Servicing the Commission on Sustainable Development and the International Development Council would constitute a new priority within the system and would require close interlinkage with, inter alia, the staff of the financial institutions.

At the field level, a more unified United Nations presence could be achieved in a given country if a United Nations ambassador, not linked to a particular fund or programme, were to be appointed by the Secretary-General. The United Nations would have three main tasks at country level: to coordinate the operational activities of the United Nations system in that country in a pragmatic and catalytic way; to take care of political matters such as peace-keeping and assistace in connection with elections; and to represent the Under-Secretary-General for Humanitarian Affairs in the country concerned.

On the question of financing, there was a need for more stable, predictable and broad-based funding of United Nations programmes and funds. The Nordic countries' proposals would certainly help to achieve that.

In conclusion, he recalled that over the last two decades a number of expert groups had studied proposals for reform. In view of their primordial political significance, a political approach was needed. The Council could establish a small, representative high-level group of ministers to develop proposals for reform of the United Nations development system in the light of the discussions at the current session and to report thereon to the General Assembly at its forthcoming session.

Mr. MYASNIKOVICH (Belarus) said that the profound changes in the world necessitated greatly enhanced multilateral cooperation among the members of the world community and Belarus therefore welcomed efforts by the United Nations to increase the effectiveness of its work and to make it respond better to the new realities of the contemporary world.

As a newly independent State, Belarus adhered fully to the principles of the United Nations Charter and other international instruments guaranteeing civil, political, economic and cultural rights. It was forced to make its first steps as a full member of the European process initiated in Helsinki in the arduous conditions of economic transition to a market system, while still coping with the consequences of the Chernobyl disaster. It therefore set great store by the assistance accorded by the United Nations to countries in transition and, in particular, to technical assistance from organizations of the United Nations system. Belarus welcomed the decision by the United Nations Development Programme (UNDP) to grant a number of countries of Eastern and Central Europe, including Belarus, the status of recipients of technical assistance. That assistance would help those countries become integrated into the world economy and create additional potential for the rendering of assistance to developing countries.

If the capacity of the United Nations for preventive diplomacy was to be strengthened, it was essential to enhance its potential for the early detection and prevention of harmful economic and social processes at both regional and global levels. Belarus therefore supported the proposal by the Secretary-General in his report on preventive diplomacy, peacemaking and peace-keeping (A/47/277), that, in accordance with Article 65 of the Charter, a reinvigorated and restructured Economic and Social Council should provide the Security Council with reports on economic and social developments which could endanger international peace and security. Belarus also supported the proposed strengthening of the United Nations role in coordinating emergency humanitarian assistance, in environmental protection and in ensuring sustainable development.

Mr. RACHIDI (Morocco) said that the end of the era of ideological confrontation and the new priority accorded to dialogue in the solution of regional conflicts had created a historic opportunity for wide-scale

(Mr. Rachidi, Morocco)

disarmament and massive cuts in military spending. Morocco therefore proposed that a United Nations fund should be created from savings in military spending, which could be used to provide new resources for third world countries. The revitalization of the United Nations peace-keeping functions had also created new prospects for democracy and participatory development in many parts of the world.

Those favourable developments in international relations had not, however, benefited the majority of the world's peoples, who continued to suffer from poverty, external indebtedness and underdevelopment and the progress in international politics had not been matched by comparable economic advances. The cumulative impact of inadequate international saving and investment, the acute level of interest rates, the persisting external debt crisis and the decline in commodity prices, together with the strengthening of tariff barriers in international trade, was undermining efforts made by developing countries to liberalize their economies through structural adjustment programmes. In addition, the gap between North and South in technology and research and development had become alarmingly wide and was scarcely conducive to the establishment of a new world order in which progress, stability, justice and democracy would flourish.

The international community had an opportunity to lay the foundations of a better world and Morocco welcomed the call by the Secretary-General for a new partnership for sustained development as a step towards the attainment of that goal. The adoption of rational economic policies by all countries in combination with increased efforts by the developed countries to share their financial resources and to transfer technology for the benefit of the developing world would further enhance that process. It was essential for the developed countries to halt the adverse effects of their macroeconomic policies on developing countries and to abide by the principle of symmetrical adjustment. Morocco would therefore welcome strengthened surveillance by the International Monetary Fund (IMF) to ensure that both deficit and surplus countries implemented policies more beneficial to the world as a whole.

The restructuring efforts undertaken within the Secretariat and at the intergovernmental level in the United Nations were certain to enhance its

(Mr. Rachidi, Morocco)

effectiveness and the level of expertise of the organs concerned and Morocco believed that the expert appraisal of various subsidiary bodies of the Economic and Social Council would lead to the further rationalization of the Organization's activities. In particular, Morocco welcomed the proposals by the Secretary-General in his report designed to promote a more unified representation at the country level and an integrated approach to economic and social questions and concurred with the need to rationalize the work of the General Assembly, particularly the working methods of its Main Committees, and to find a better division of labour between the General Assembly and the Economic and Social Council. Finally, he welcomed the reform of United Nations governance and finance proposed by the Nordic countries in their memorandum E/1992/91, and believed that all the proposed reforms, if implemented with complete transparency and the full support of the States members, would attract the financial resources necessary for the United Nations to play its proper role in the new international order.

Mr. KOSTARCZYK (Poland) said that a number of major tasks faced the international community in enhancing the role of the United Nations in development. They included the elaboration of policies to halt the decline of the world economy and to close the development gap, the elimination of protectionism in international trade, efforts to match environmental protection policies to social and economic development and to check excessive population growth and the strengthening of democratic institutions to favour the protection of human rights and minorities. In addition, concerted efforts were needed to eradicate poverty, hunger and malnutrition, to improve health and social services, to achieve a more reasonable utilization of energy and natural resources, to optimize the opportunities created by the "peace dividend" and to explore the positive link between disarmament and development and policies should be developed to integrate the former communist States into the world economy and to expand their trade with the developing countries.

If those goals were to be attained, steps must be taken to revitalize the role of the Economic and Social Council in the overall management of United Nations social and economic activities, to strengthen programme and project coordination, and to introduce the necessary structural changes in the secretariats of international organizations.

(Mr. Kostarczyk, Poland)

Poland was determined to proceed with its own systemic reforms, despite the heavy costs involved and differences of views on how those reforms were to be implemented. Signs of progress and stabilization were already evident in certain sectors of the national economy. In addition, Poland hoped to expand its relations with developing countries and to participate in technical cooperation among developing countries schemes sponsored by the United Nations Development Programme (UNDP). In that context, it welcomed the proposals put forward by the Nordic countries and by the Secretary-General in his report (E/1992/82) and opening statement.

Mr. ALMADA (Argentina) said that the recent profound changes in the world political, economic and social order had reaffirmed the importance of international cooperation in promoting the growth of the developing countries and had brought into clearer relief the external limitations on the economic growth and development of those countries. If the United Nations was to play an effective international role in preventive diplomacy, it must remain sensitive to the problems of developing countries and its initiatives must be conducive to the promotion of economic growth and development.

In particular, cooperation for development had a crucial role to play in overcoming such limitations as macroeconomic imbalances, trade restrictions and lack of access to technology and concerted efforts must be made to put into effect the agreements reached at the United Nations Conference on Environment and Development and to approve the proposed holding of an international conference on the financing of development.

Argentina noted with concern the tendency to simplify the concept of cooperation for development by restricting it to operational activities. While the Nordic United Nations Project had made a laudable contribution to the reform processes initiated by resolution 45/264, it was limited to two aspects of operational activities, governance and funding and its valuable proposals would be effective only if they formed part of a general social and economic restructuring of the United Nations, in accordance with the provisions of resolutions 45/264 and 46/235.

In conclusion, Argentina believed that the high-level segment was a useful forum for the exchange of views on the restructuring exercise and that

(Mr. Almada, Argentina)

its debate should contribute to the reforms under way to revitalize the economic and social sectors of the Organization and should reaffirm the role of the United Nations in cooperation for development.

Mr. FADZIL (Malaysia) said that the international community should seize the opportunity afforded by the high-level segment to examine ways in which the United Nations could enhance its role as a centre for harmonizing the actions of nations, in accordance with the principles of the Charter. While sharing the Secretary-General's view that true peace was impossible without economic and social development and that the ills of the world should be viewed from a world perspective, Malaysia had reservations about the suggestion that the Economic and Social Council should submit reports to the Security Council, since the Security Council should not assume the function, properly assigned to the General Assembly, of an apex mechanism of the Organization.

Furthermore, the Secretary-General's report did not adequately address the need for a more favourable global economic environment in which the long-standing problem of eradicating poverty and the increasing external debt burden of developing countries could be properly addressed. Malaysia believed that Member States, and not the Organization as a whole, were to be blamed for failure to promote the economic development of developing countries, since their overall level of assistance, both bilateral and through the United Nations system, had significantly decreased in recent years. Too often, the policies of Member States were designed to advance the self-interest of individual countries or groups of countries over the global interest. It was ironic that a combination of trade restrictions and unequal partnership in the global economy had cost developing countries $500 billion a year, 10 times as much as they had received in foreign assistance, at the very time those countries were undertaking arduous economic reforms. Instead of exacerbating the increasingly difficult economic environment, developed countries with the necessary means should bear the onus of enhancing international cooperation for development and give the United Nations the material support it needed to play its appointed role.

(Mr. Fadzil, Malaysia)

International development cooperation was threatened by the rigid and short-sighted conservative economic thinking which had failed at the national level in certain leading countries and a renewed commitment was required to revitalize international development cooperation at the highest political level in the developed countries. In addition, the United Nations system should be periodically reviewed and adjusted to ensure that it always performed its role in accordance with the priorities of its Members. Member States should permit even the most drastic restructuring measures in the Organization if the effectiveness with which it achieved the objectives set by the Charter of promoting economic and social development was thereby enhanced.

The Nordic countries had showed a serious commitment to reforming the United Nations system, particularly in the area of international development cooperation. Malaysia supported initiatives aimed at further improving United Nations machinery in that field in order to promote the development process. In reforming the structure of the United Nations, the concepts of democracy and universality must be the basis of the decision-making process to ensure the support of all Member States for efforts to promote development and maintain international peace and security.

The process of restructuring the United Nations system must include reforming all development and financial agencies, in particular, the Bretton Woods institutions, which, despite widespread criticism of their roles in promoting development, had remained untouchable. The roles and functions of those institutions must be streamlined to support those of other agencies within the broader United Nations system.

Mr. RURIKAIRE (Observer for Uganda) said that his delegation was, on the whole, favourable to the proposal concerning unified United Nations offices at the country level but cautioned that such unification should in no way diminish the effectiveness of the operations of existing agencies such as UNICEF, UNFPA and UNDP. Unprecedented opportunities and challenges were facing the international community. The United Nations system had a primary responsibility to ensure the well-being of all persons.

Uganda was looking forward to the deliberations at the forty-seventh session of the General Assembly on the proposed system-wide Programme of

(Mr. Rurikaire, Observer, Uganda)

Action for African Economic Recovery and Development. The United Nations had the necessary policy framework to respond to the special problems and requirements in that area. The response thus far by the international community and the United Nations system was still inadequate and fell far short of expectations. The United Nations system must increase its support for Africa by translating the various mandates into concrete measures. The organizations of the United Nations system and the Bretton Woods institutions must coordinate their policies in a coherent manner at all levels to ensure maximum impact of programmes.

The problems facing Africa were widespread and diverse. The structural adjustment programmes undertaken by most countries still required substantial technical and financial assistance. The United Nations system needed unequivocal support by the countries of the North in providing Africa with enhanced resource flows in order to ensure growth during economic reform processes and to deal decisively with economic and social strains caused by adjustment and widespread poverty among the most vulnerable groups.

In the case of Uganda, the AIDS pandemic had become a special focus of Government attention and substantial international support continued to be required in that field. Other critical needs included further reduction of the debt burden and increased concessional financing and market access for Africa's products. In that context, his delegation called for the speedy conclusion of the ongoing negotiations of the Uruguay Round. Achieving those objectives would not only promote Africa's economic and social well-being but would also help to bring about a more equitable world order.

The current session should provide preliminary views on how the Council should oversee the follow-up and monitoring of the implementation of the United Nations New Agenda for the Development of Africa in the 1990s. Detailed guidelines could be elaborated on the basis of the relevant proposals to be submitted by the Secretary-General to the Council and the General Assembly in 1993. The intergovernmental organizations and the programmes of the United Nations system should assist the General Assembly and the Council in implementing mandated programmes and activities, drawing attention to problems encountered and suggesting actions to address them.

Mr. BEJARANO (Colombia) said that international cooperation must encourage the adoption of multilateral measures promoting global economic growth in order to enable developing countries to eliminate poverty. The internal economic reforms which each country was committed to carry out would not be successful without multilateral measures supporting that effort in the fields of technology, trade and finance. In that context, the United Nations had a crucial role to play in defining and coordinating policies. All Member States must participate actively in the deliberations of the Council and the General Assembly and ensure clear and effective coordination of the work of those two bodies.

His country was concerned at the fact that development financing depended almost exclusively on voluntary contributions. That situation gave rise to the danger that donor countries might use multilateral organizations to serve national policies. Colombia viewed with interest the suggestion by the Nordic countries that part of the resources for cooperation for development should come from negotiated voluntary contributions, provided that the priorities established by the General Assembly were respected. In the long term, a substantial part, if not all, of the resources of development funds should come from mandatory contributions.

Although the maintenance of international peace and security was a very important function of the United Nations, it was not the sole purpose of the Organization. The United Nations must take account of the fact that peace and development were interrelated and the General Assembly must be respected as the principal universal body of Member States. Development depended on security as well as the coordination of international economic policies favouring the efforts made in that field by developing countries. In that regard, it was very important to coordinate reforms by the Secretariat with those carried out at the intergovernmental level. Both should strengthen the role of multilateral action in the economic and social field and ensure that the concept of development was not limited to humanitarian assistance. Such assistance could not replace the work of the Organization in establishing the financial, technical and trade conditions that favoured sustainable development.

Mr. MOULTRIE (Observer for the Bahamas) said that a dual approach based on national efforts and international cooperation was necessary in order to deal with the consequences of the world-wide recession. Although there was a growing recognition of the need for continued restructuring and adjustment of national economies in order to promote development, the economic policies of individual States required a dynamic and supportive international economic environment. The principal objective of international economic cooperation must be to restore vigorous growth in the world economy. The United Nations had a crucial role to play in that regard through its operational agencies and as a catalyst for efforts by Governments and regional and non-governmental organizations.

The United Nations system had already demonstrated its potential by promoting expansion and growth in response to changing world conditions. It had become increasingly evident that existing institutions and mechanisms must be more effectively utilized in order to address emerging global economic issues and enhance economic cooperation for development. Such collaborative efforts would necessarily entail restraint on the part of Member States in pursuing national policies. The ultimate objective of United Nations activities in the field of economic cooperation must be to increase the Organization's potential for promoting the economic interests of every Member State. Joint approaches were necessary in order to address such problems as national minorities, refugees, drugs, poverty and natural and man-made disasters. The restructured Economic and Social Council was well placed to play a coordinating role in that regard. The United Nations and the international financial institutions should provide an equitable forum for agreeing on and implementing common policies; and Member States must be guided by the shared interests of all mankind and seek mutually acceptable solutions to problems.

The focus of much of the Organization's recent work had shifted to the maintenance of peace and security. It must be recognized that global security was complex and multifaceted. In elaborating a concept of global security there was a need to guard against oversimplification and a one-sided approach. Concentrating on the maintenance of peace and security without a commitment to

(Mr. Moultrie, Observer, Bahamas)

development programmes would result in security that was at best tenuous. The United Nations must be the expression of the collective will of the Member States to strengthen international cooperation and multilateralism and should become a powerful vehicle for economic and social advancement in all regions.

Mr. NORDMANN (Observer for Switzerland) said that his country was fully participating in United Nations efforts to meet the complex challenges facing the international community and welcomed the efforts by the Secretary-General to coordinate the activities of the Organization. He underscored in particular the role given to the Bretton Woods institutions and stressed the need to ensure that the regional commissions had the necessary means to carry out fully their mandates. An international development forum was essential for the overall management of development activities. Clear priorities must be established in the key areas of international cooperation for development; and action strategies must be laid down at the global and regional level. The division of work within the United Nations system must be based on complementary responsibilities and mandates as well as transparent structures. The proposals put forward by the Secretary-General, particularly with regard to the establishment of an intersessional body, were interesting and could be used to complete the first phase of the revitalization of the Council.

His country generally supported the evaluation carried out in various studies of the functioning of existing executive bodies and other governing councils. Small executive councils that met for shorter periods of time but with greater frequency would facilitate cooperation between participating Governments and the secretariats of United Nations funds and programmes.

There was a need for a predictable and transparent system of financing. The proposal to broaden the base of financial contributions by adopting a system with mandatory, negotiated and voluntary contributions should be considered. Sound management of the institutions as well as quality, transparency and joint evaluation of activities were important elements in allocating multilateral funds for development. Lastly, Switzerland supported the ideas put forward with regard to the strengthening of international cooperation and stressed the need to engage in a broader and more balanced dialogue in order to reach a consensus as speedily as possible.

Mr. de la PUENTE (Peru) said that international cooperation for economic and social development was the fundamental purpose of the Organization. A concept of international cooperation based on pragmatic political guidelines was necessary in view of the profound changes affecting the international situation. The Organization had set up mechanisms to centralize and coordinate its activities at the upper management level. A new global concept of international cooperation based on consensus was necessary in order to avoid the danger of an isolationist regional approach in which the developed world sought to protect itself against global problems such as drug addiction, mass migration towards rich countries and AIDS. Accordingly, economic and social development and international cooperation must be accorded the same priority as the maintenance of international peace and security. Neither was subordinate to the other.

His country was currently undergoing a complex process of change aimed at making democracy a national reality by improving its public institutions and encouraging a more active role by all sectors of society. Elections would be held for a democratic constituent congress to set up a more modern and efficient state structure; and a national dialogue for peace and development had been initiated. Working meetings had been organized between representatives of the Government and the various political groups in order to bring about a speedy return to institutional legitimacy. The process of democratic consolidation under way in Peru was also based on respect for human rights in the struggle to combat terrorism. An important step had been taken in the difficult task of adapting Peruvian political culture in order to cope with challenges in the future. Lastly, he stressed the need to enhance the role of the United Nations in the field of international security and at the same time to promote diplomacy in favour of development in order to put into practice the new consensus on international development.

Mr. SALTANOVIC (Yugoslavia) said that the generally positive changes in international relations in recent years had not had the desired impact on the international economic situation or on cooperation for development. The adoption of the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the

(Mr. Saltanovic, Yugoslavia)

Developing Countries by the General Assembly at its eighteenth special session and of the International Development Strategy for the Fourth United Nations Development Decade had not fulfilled expectations, owing in large measure to the inadequate involvement of the United Nations system in efforts to accelerate development in underdeveloped countries. His delegation shared the views on the international economic situation and the role of the United Nations system contained in the inspiring report of the Secretary-General.

The importance of mobilizing the United Nations system on behalf of development activities was underscored by the current bleak economic situation. The developing countries continued to face slower economic growth, rising unemployment and mounting inflationary pressures. Commodity prices had fallen to their lowest level during the past decade, while real interest rates remained high. Many developing countries continued to face the onerous burden of foreign debt, while official development assistance continued to decline.

The developing countries fully acknowledged that they bore the primary responsibility for their own development. Developing countries which had shifted to a market economy faced new challenges in addition to their long-standing economic problems, and their efforts could not succeed without adequate international support. If the development dialogue was to prove more productive and facilitate the achievement of the development objectives of the 1990s, it must proceed on the basis of equality, partnership and common interests in the General Assembly, the Council and UNCTAD.

Action undertaken thus far to promote sound policy coordination among countries had not yielded adequate results, and his delegation therefore supported the need for closer and more institutionalized policy coordination, taking into account the interests of all countries and especially the implications for the development of developing countries. United Nations deliberations must prove more productive and relevant and decisions should be more action-oriented. Full advantage should be taken of the work of the regional commissions and the newly restructured and revitalized UNCTAD. Enhanced cooperation between the General Assembly and the Council with the Bretton Woods institutions and the General Agreement on Tariffs and Trade (GATT) within their spheres of competence was indispensable. His delegation looked forward to the forthcoming policy dialogue in that connection.

(Mr. Saltanovic, Yugoslavia)

Positive steps had been taken during the past year to improve the work of the Council and its subsidiary bodies. Further efforts must be made to rationalize the agendas of the Council and the General Assembly and to make greater use of the coordination potential of the Council. The establishment of the Commission on Sustainable Development represented an important step. Ideas relating to the establishment of an economic security council with executive and policy-making functions required serious consideration.

The harsh economic sanctions imposed by the United Nations on his country were severely affecting its entire population. The sanctions represented the most comprehensive embargo imposed by the United Nations against any State. The condemnation of his country as the only one responsible for the current situation in Bosnia and Herzegovina was unjust and one-sided. Nevertheless, his country was doing everything in its power to comply with the relevant Security Council resolutions, for it was convinced that a just and lasting peace could be achieved only through a dialogue which took into account the vital interests of all parties in the region. The Federal Republic of Yugoslavia, as the legal successor of Yugoslavia, was determined to play its part in the profound changes which characterized the contemporary world. Unless the economic sanctions against his country were lifted, it would be forced to seek large-scale humanitarian assistance to meet the most essential needs of its citizens. His delegation therefore expected the sanctions to be lifted immediately, thus creating the necessary conditions for the development of Yugoslavia, which was a prerequisite for peace and stability in the country and in the region as a whole.

Speaking in exercise of his right of reply, he said that the Observer for Croatia had advanced political positions that were outside the scope of the Council's agenda and that his gross and senseless allegations were propaganda intended for home consumption.

Since the Observer for Croatia had seen fit to condemn the Federal Republic of Yugoslavia, namely, Serbia and Montenegro, for alleged aggression against Croatia and Bosnia and Herzegovina, he was obliged to draw the Council's attention to the fact that at that very moment divisions of Croatia's regular army were actively conducting an offensive in and occupying

(Mr. Saltanovic, Yugoslavia)

large parts of the territory of Bosnia and Herzegovina. With regard to the remarks of the Observer for Croatia on the continuity of the legal personality of Yugoslavia and its membership in the United Nations, he referred delegations to the statement by his own delegation at the opening meeting of the Council's session on 29 June.

The PRESIDENT, briefly summarizing the points raised during the debate that day, said that it had been widely recognized that the current world situation provided a unique opportunity to examine and strengthen the role of the United Nations in enhancing international cooperation for development. The integrated nature of political, economic and social issues had been increasingly recognized. The interrelationship between environment and development had also been emphasized.

Many delegations had referred to an emerging agreement on the goals of human-centred, equitable and sustainable development, and many had also considered the elimination of poverty a primary objecive. A large number of development problems remained unresolved, and many delegations had found the current state of the world economy particularly troublesome. The importance of an international economic environment that was conducive to economic progress in the developing countries had been underscored. Emphasis had been placed on the need to make the United Nations a more effective instrument for cooperation. Several delegations had underscored the need for further progress in the restructuring and reform of intergovernmental machinery and the Secretariat, and many speakers had called for greater complementarity between the General Assembly and the Economic and Social Council.

A number of delegations, welcoming the decision to establish the Commission on Sustainable Development, which was to report to the Council on the implementation of Agenda 21 adopted at the United Nations Conference on Environment and Development, had considered that that would enhance the policy-making function of the Council. Particular emphasis had been placed on continuing efforts to strengthen the coordination function of the Council in relation to United Nations programmes and the work of the specialized agencies. In that regard, the relationship between the United Nations, the Bretton Woods institutions and the specialized agencies had been considered of

(The President)

key importance by many delegations, and questions had been raised as to how greater cooperation and complementarity could be achieved in the interests of donor and recipient countries alike. The role of ACC had been viewed as central in bringing about greater coherence in the system, and the efforts under the leadership of the Secretary-General to review its functioning had been welcomed.

Virtually all statements had addressed the technical cooperation and operational activities of the United Nations. With the expansion of those activities, many delegations had seen considerable fragmentation, overlapping and duplication, limited responsiveness and a lack of transparency and accountability. Financing of operational activities had been viewed by many as insufficient, erratic and unstable. The need for better coordination at the country and regional levels had been stressed. Lastly, the questions of the governance and financing of United Nations agencies had been viewed as interrelated, and speakers had referred to various proposals, including the Nordic United Nations project, to improve the management and financing of operational activities. There had been wide support for the concept of an international development council or committee to provide overall policy guidance and set priorities for the development agencies, functions which could be performed without necessarily creating a new intergovernmental body. Proposals had also been advanced regarding the funding of operational activities.

Mr. NAKAJIMA (Director-General, World Health Organization) said that the heads of the specialized agencies in ACC agreed that it was essential for the United Nations, the specialized agencies and the Bretton Woods institutions to work closely together to enable the United Nations system to function more effectively at the country level. The agency heads faced various problems with respect to staffing policy, as well as staff skills, their conditions of employment and the politicization of the staffing process. Such problems often hampered the work of the agencies, particularly at the country level. At times the agencies were viewed as employment agencies, rather than as organizations which delivered a real service.

(Mr. Nakajima, WHO)

The agency heads in ACC would continue to keep staffing matters under review, including conditions of employment, geographical limitations and the employment of women. Satisfactory resolution of staffing problems was a precondition for fruitful cooperation among the agencies themselves and between them and the Bretton Woods institutions.

The PRESIDENT, replying to a question from Mr. MARKER (Pakistan), said that the summary he had presented at the current meeting was informal and was intended to facilitate discussion. At the conclusion of the high-level segment, he would provide the Council with a written summary of the entire segment.

Mr. MAYOR (Director-General, United Nations Educational, Scientific and Cultural Organization), emphasizing how crucial education was for economic growth, said that natural resources were useless if countries lacked the knowledge to extract and transform them, and that sustainability depended on the attitudes of the people, which, in turn, were forged through education on values and ethical principles.

The success of efforts to moderate population growth also depended on education, particularly of women and girls. Education, teacher training, access to knowledge and the transfer of knowledge were critical if countries were to develop manpower with adequate skills to cope with a rapidly evolving world.

He also underscored the importance of education for the consolidation of democracy and peace-building. Increased investment in education, science and culture as well as in peace-building would diminish the need for investment in peacemaking and peace-keeping. Education and access to knowledge were the key to equity and human dignity.

Mr. AHTISAARI (Finland) said that he was pleased to note the wide political support expressed for the proposals for reform in the economic and social sector and hoped that that support would be appropriately reflected in the President's written summary. He took note of the fact that the discussion had focused on the questions of political guidance, operational governance and financing.

(Mr. Ahtisaari, Finland)

With regard to the proposal that the reform process should be linked with General Assembly resolution 45/264, he emphasized the importance of agreeing at an early stage on the principles and guidelines for reform. For the purpose of working out the details of the reform process, it might be desirable to establish an informal open-ended working group on the subject, as the President of the General Assembly had done in 1991 to facilitate the coordination of humanitarian assistance.

Mr. PRONK (Observer for the Netherlands), referring to the statement by the Director-General of the World Health Organization, said that if Governments expected the specialized agencies to be centres of excellence in terms of governance, they certainly should not force the agencies to employ less than highly qualified staff.

To facilitate further discussion of the item under consideration, he suggested that the Secretariat should prepare a review of the specific proposals made concerning restructuring at the intergovernmental, secretariat and field levels.

The PRESIDENT agreed that such a paper would be useful.

The meeting rose at 6.10 p.m.